

HAIKU DESIGN & ANALYSIS

4234 Hana Hwy., Haiku, HI., 96708
(808) 572-2519

June 17, 2009

To the Honorable Chairman and Members of
The Hawaii Public Utilities Commission
465 South King Street Room #103
Honolulu, Hawaii 96813

Subject: Docket No. 2008-0274
Decoupling Investigation

Identification of Panelists for Hearings Panels

Carl Freedman, dba Haiku Design and Analysis (HDA) identifies its panelists assigned to each panel as follows:

For panels 1 through 6, HDA's panelists will be Carl Freedman and Michael Champley, Kahakuloa Energy Advisors, LLC. (consultant to HDA).

For panels 7 and 8, HDA's panelist will be Carl Freedman.

CV's for Carl Freedman and Michael Champley are attached to this letter.

This letter is being served on the date of this letter by electronic transmission to all parties on the service list in this docket and two copies are being served on the date of this letter by first class mail to the Division of Consumer Advocacy at the address on the service list in this docket.

Respectfully submitted,

Dated: June 17, 2009; Haiku, Hawaii

Signed: CARL FREEDMAN
Carl Freedman
dba Haiku Design and Analysis

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PUBLIC UTILITIES
COMMISSION

Carl Freedman
4234 Hana Hwy.
Haiku, HI., 96708
(808) 572-2519 jcfm@hawaiiantel.net

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EXPERIENCE: Utility Policy, Regulation and Economics

Integrated Resource Planning

- Was a primary participant in the Hawaii PUC docket and collaborative establishing the current Framework for Integrated Resource Planning for Hawaii's energy utilities
- Performed a comprehensive review of the IRP's for each of Hawaii's energy utilities on behalf of the Hawaii Division of Consumer Advocacy (Consumer Advocate)
- Represented the Consumer Advocate on the IRP Advisory Groups of each Hawaii energy utility
- Developed a Scenario Analysis Model incorporating a capacity expansion and production cost model for long term evaluation of conventional, renewable and conservation resources for Hawaii's electric utilities
- Currently is under contract to prepare comprehensive Integrated Resource Plans for the Maui County Board of Water Supply for the Maui County Water Use and Development Plan

Demand-Side Management (DSM) Incentives and Implementation

- Represented the Consumer Advocate in the DSM Cost Recovery and Incentives Working Group considering mechanisms for the Hawaii electric utilities
- Presented testimony to the Hawaii PUC analyzing various DSM cost recovery and incentive options, including recommendations for a "sales decoupling" mechanism for Hawaii's utilities.
- Represented Rocky Mountain Institute in the Hawaii PUC "Energy Efficiency" docket considering utility incentives and establishment of a third party energy efficiency administrator.

Renewable Resource Development

- Represented the Hawaii Division of Consumer Advocacy in the PUC investigation on Barriers and Strategies to Remove Barriers to Renewable Energy Development
- Selected as primary editor and chaired the authoring committee of the *Collaborative Document: Renewable Energy Resources Investigation*, cataloguing the findings of the twenty-one parties in the docket and forwarded to the Hawaii Legislature by the PUC
- Presented testimony and rigorous analysis to the Hawaii PUC quantifying the capacity value of wind resources to Hawaii electric utility systems
- Conceived and proposed one of the nation's first 'set aside' regulatory strategies for promotion of renewable resource development, adopted as an administrative rule by the Oregon Energy Facilities Siting Council in 1979
- Developed the first production costing methods capable of evaluating wind energy resources in conjunction with variable hydroelectric conditions for the Pacific Northwest electric system (1978)

Electric Industry Restructuring, Competition and Deregulation

- Represented the Hawaii Division of Consumer Advocacy in the PUC investigative docket collaborative on electric industry restructuring, competition and deregulation.

Incorporation of Externalities in resource planning.

- Proposed an Externalities Collaborative to establish Hawaii-specific externality values to be used in Integrated Resource Planning (in testimony on behalf of the Consumer Advocate); rejected by the Hawaii PUC in favor of a utility-run investigation with an advisory group process
- Represented the Consumer Advocate on the Hawaii electric utility Externalities Investigation Advisory Group and drafted the Consumer Advocate's analysis, critique and recommendations regarding the utility externalities investigation

OCCUPATION

1991 - 2008	Consultant, Sole Proprietor: dba Haiku Design and Analysis Public Utility Regulatory Affairs Integrated Resource Planning Energy Resource Economic Analysis
1991 - 2001	Hawaii IRP Advisory Group Representative Division of Consumer Advocacy Department of Commerce and Consumer Affairs State of Hawaii
1999 - 2000	Member, Subcommittee on Alternate Energy and Conservation Maui County Council
1989 - 2002	President, Administrator Blue Ocean Preservation Society, Haiku, Hawaii.
1990 - 1991	Hawaii Public Utilities Commission Integrated Resource Planning Collaborative Participant
1979 - 1981	Participant Representing the State of Oregon Energy Forecasting Delphi/Monte Carlo Pool Pacific Northwest Utilities Conference Committee
1977 - 1987	Partner, Analyst on Utility Economics and Policy Forelaws On Board, Boring, Oregon.

FORMAL EDUCATION

1970 - 1973	Reed College, Portland, Oregon
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CONTESTED CASE SWORN WRITTEN TESTIMONY

- 1977 Before the Nuclear Regulatory Commission, AS&LB;
 Testimony regarding the economics of the Pacific Northwest electrical
 generating system.
- 1978 Before the Oregon Energy Facility Siting Council;
 Testimony analyzing the energy forecasts of Portland General Electric,
 Pacific Power and Light and Puget Sound Power and Light Companies.
 Included a twenty year energy forecast for Pacific Power and Light.
- 1978 Before the Oregon Energy Facility Siting Council;
 Testimony regarding the availability and cost of wind turbine generation
 including an hourly analysis of regional wind speed data utilizing a
 production cost model for the Pacific Northwest Region over a twenty-
 year period.
- 1978 Before the Oregon Energy Facility Siting Council;
 Testimony on the comparative costs of over- and under-building resources
 including a probabilistic analysis of costs for the Pacific Northwest system
 under various load growth, resource expansion and hydroelectric
 availability scenarios.
- 1979 Before the Public Utilities Commissioner of Oregon;
 Testimony regarding the expected value of voluntary conservation
 measures typically made during adverse hydroelectric conditions in the
 Pacific Northwest.
- 1991 Before the Public Utilities Commission of Hawaii;
 Testimony regarding a proposed framework for an Integrated Resource
 Planning process for Hawaii's energy utilities.
 Docket No. 6617.
- 1993 Before the Public Utilities Commission of Hawaii;
 Testimony evaluating GASCO's Integrated Resource Plan application and
 representing the position of the Consumer Advocate. Docket No. 7261
- 1993 Before the Public Utilities Commission of Hawaii;
 Testimony evaluating Hawaiian Electric Company's Integrated Resource
 Plan application and representing the position of the Consumer Advocate.
 Docket No. 7257
- 1994 Before the Public Utilities Commission of Hawaii;
 Testimony evaluating Kauai Electric Division's Integrated Resource Plan
 application and representing the position of the Consumer Advocate.
 Docket No. 7260

- 1994 Before the Public Utilities Commission of Hawaii;
Testimony evaluating Maui Electric Company's Integrated Resource Plan application and representing the position of the Consumer Advocate. Docket No. 7258
- 1994 Before the Public Utilities Commission of Hawaii;
Testimony evaluating Hawaii Electric Light Company's Integrated Resource Plan application and representing the position of the Consumer Advocate. Docket No. 7259
- 1994 Before the Public Utilities Commission of Hawaii;
Testimony evaluating Hawaiian Electric Company's Commercial Demand-Side Management Programs. Docket No. 94-0010
- 1995 Before the Public Utilities Commission of Hawaii;
Testimony regarding generation efficiency, fuel expense, fuel cost adjustment methods and need for new generation in Maui Electric Company's rate case. Docket No. 94-0345
- 1995 Before the Public Utilities Commission of Hawaii;
Testimony regarding generation efficiency, fuel expense, purchased power capacity and energy costs, fuel cost adjustments and the need for new generation in Hawaii Electric Power & Light's rate case. Docket No. 94-0140.
- 2000 Before the Public Utilities Commission of Hawaii;
Testimony regarding wind generation capacity value and contribution to utility system reliability considering Apollo Energy Co. Purchased Power Agreement with Hawaii Electric Power & Light. Docket No. 00-0135
- 2005-06 Before the Public Utilities Commission of Hawaii;
Testimony regarding utility incentives and establishment of a public benefits fund, market structure and third party DSM administrator. Docket No. 05-0069

TESTIMONY IN RULEMAKING PROCEEDINGS RE: UTILITY RESOURCE PLANNING

- 1979-82 Before the Oregon Energy Facility Siting Council;
"Need for Power" Standards for large energy facilities. Participated as one of the primary crafters of the adopted language. This was one of the first resource planning rules to explicitly incorporate conservation as a utility resource.
- 1979-80 Before the Oregon Energy Facility Siting Council;
"Specific Standards for Siting Wind Facilities." Participated as a primary crafter of the adopted language.

- 1979-84 Before the Oregon Energy Facility Siting Council;
 Testimony regarding the various Specific Standards adopted for Biomass,
 Cogeneration, Geothermal and Coal facilities.
- 1989 Before the Hawaii Dept. of Land and Natural Resources;
 Testimony regarding "Geothermal and Cable System Development"

Michael E. Champley

Cell: (808) 431-7630
E-mail: champleym@hotmail.com

Senior Energy Utility Executive

Senior executive officer with extensive and varied industry experiences and accomplishments. Excels in analyzing, integrating and managing complex economic, public policy and operational issues confronting an evolving energy utility industry. Experience and expertise spans corporate and financial planning, regulatory and customer relations, utility operations and performance management, building non-regulated businesses and acquiring/divesting businesses and major corporate assets.

Professional Expertise:

Strategic Planning & Leadership	Energy Markets Knowledge	Distribution Operations
Financial Analysis & Knowledge	Bulk Power Supply Operations	Demand Side Management
Federal & State Regulation	Integrated Resource Planning	Cost Management
Expert Witness & Policy Advocacy	Transmission Infrastructure Policy	Change Management

Career Highlights

Industry Restructuring

- Instrumental in developing the 2000 electric restructuring legislation in Michigan that enabled financial securitization of \$1.8 billion of stranded assets
- Shaped Michigan's policy debate that reversed 2000 electric restructuring and led to enactment of the 2008 "Clean, Renewable and Efficient Energy Act"
- Managed termination of Michigan power pool in preparation for Michigan electric restructuring and formation of Midwest ISO

Regulatory Strategy

- Developed and implemented regulatory strategy for spin-off of DTE's transmission assets, a precedent setting transaction for the utility industry
- Developed and executed regulatory strategies that yielded \$2.0 billion in rate increases for Detroit Edison and Michigan Consolidated Gas from 2003 – 2006
- Instrumental in negotiating a major rate case settlement agreement which resolved nuclear plant investment prudence issues and included a multi-year base rate and fuel clause freeze which enabled DTE to earn 15 – 20% ROEs

Customer Energy Marketing

- Developed and negotiated first long-term utility sole-supplier special contracts with Big Three Automakers which subsequently were duplicated by other utilities
- Managed implementation of DTE's initial DSM program which resulted in DSM shareholder incentive payouts
- Created DTE's Energy Partnership Program which makes available full-time on-site utility energy consultants to major commercial and industrial customers

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|---------------------------------------|---|
| Wholesale Energy Markets | <ul style="list-style-type: none"> ▪ Presided over creation and early development of DTE's wholesale power trading affiliate including implementation of credit and risk management policies and procedures ▪ Managed the functional separation of DTE's joint merchant (generation) and transmission operations pursuant to FERC code of conduct regulations ▪ Negotiated major, multiple-year wholesale power supply contracts with municipal and cooperative utilities and power marketers |
| Generation Supply | <ul style="list-style-type: none"> ▪ Managed DTE's electric power supply planning and dispatch operations during the turbulent transition to competitive wholesale electric markets, successfully navigating capacity shortfalls, evolving business practices and electric and fuel price volatility ▪ Modified the dispatch of DTE's pump storage generation facility to reflect new location marginal pricing (LMP) regime and provision of ancillary services ▪ Adapted Integrated Resource Planning process to evolving supply and demand resource options and environmental compliance requirements |
| Utility Performance Management | <ul style="list-style-type: none"> ▪ Led and/or championed major corporate cost reduction and performance improvement programs in preparation for industry restructuring ▪ Served as change leader in restructuring major utility operations to reduce costs, improve performance and/or implement strategic re-alignments |

Professional Experience

Kahakuloa Energy Advisors, LLC, Ann Arbor, MI & Wailuku, HI.....2007 - Present

Advise clients on strategic, regulatory policy and operational issues primarily related to electric resource planning. Clients include an independent electric transmission company and energy policy advocacy groups. A principal author of a published study which evaluated various electric market structures and regulatory policies relative to their impact on the implementation of Michigan's 21st Century Energy Plan. Current research includes identifying and modifying regulatory policies that impede development of transmission infrastructure to integrate large scale wind energy resource zones and new base load generation into the regional wholesale bulk power system.

DTE Energy, Detroit, MI..... 1971 - 2006

Senior Vice President-Regulatory Affairs (2002 – 2006)

Responsible for developing and executing state and federal regulatory strategies for Detroit Edison Company, Michigan Consolidated Gas Company and other DTE Energy affiliates and managing relationships with the Michigan Public Service Commission and Federal Energy Regulatory Commission. Frequent interactions required with legislators, intervenors, rating agencies and security analysts.

Senior Vice President-Power Supply (1997 – 2002)

Responsible for short and long-term power supply activities including bulk power transmission, generation dispatch, wholesale power contract procurement and sales and capacity needs assessments. This also included establishing and subsequent oversight of DTE Energy's power marketing affiliate.

Vice President-Marketing (1992 – 1997)

Responsible for retail marketing and sales activities including customer research, demand-side management program development and execution and managing major customer relationships. Roles subsequently broaden to include wholesale customer and market activities, transmission operations and integrated resource planning.

Various Operations, Planning, Financial and Regulatory Positions (1971 – 1992)

Hired as an electrical engineer and subsequently held a number of positions of increasing responsibility in regulatory, financial and corporate planning functions as well as a number of development assignments in Nuclear Generation, Distribution Operations, Supply Chain and Information Technology.

Public Service

Board of Trustees, Landmark College, Putney, VT.....2007 - Present

Landmark College is devoted exclusively to the education of students with learning disabilities; Co-Chair of Audit and Finance Committees.

City of Brighton, MI.....1984 - 1991

Elected to City Council and served as Mayor Pro Tem; also appointed to Planning Commission and served as Chairman

Education

Doctorial Course Work – Indiana University

Emphasis: Public Utility Economics and Regulation, Associate Instructor in School of Business

Master of Business Administration – Indiana University

Emphasis: Finance and Public Utility Economics and Regulation

Bachelor of Science Engineering - University of Dayton

Emphasis: Electrical Engineering, Student Engineer at Dayton Power & Light Company

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WAIPIUA STREET

HANA HIGHWAY

